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 Security Information
 CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

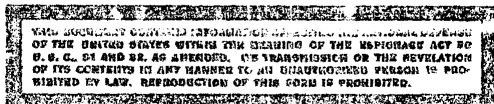
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SUBJECT Reorganization of the Czechoslovak Railroads

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REPORT NO.

THIS IS UNEVALUATED INFORMATION

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1. Based on a decision of the Communist Party and the Czechoslovak Government, a reorganization of the Czechoslovak State Railroads was decreed on 29 July 1952 and came into effect on 1 August 1952. The national enterprise "Czechoslovak State Railroads" was "discontinued without liquidation and all property heretofore administered by this enterprise was put under the administration of a newly created Ministry of Railroads" [redacted] The Ministry of Transport under the authority of which the Czechoslovak Railroads had fallen prior to their reorganization, only retained supervision over air, water, and road traffic.

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2. The Ministry of Railroads (in the following referred to as MR) "is the top administrative and economic authority for railroad matters, directing the work of the railroads as a whole as well as of the individual railroad systems on the entire territory of the State. The MR is headed by the Minister of Railroads who has seven deputies. A 'collegium',² and a Scientific-technical Council are set up at the MR" [redacted] "The authority of the MR covers all matters concerning railroads and cableways, excluding railroads and cableways serving municipal transportation" [redacted]
3. "To increase the governability and improve the operational management of the railroads, the all-State railroad network has been dismembered, from an administrative and economic viewpoint, into six separate enterprises, called 'railroad systems'³ (Dráhy), which are the basic administrative and economic units of the railroad network. To ensure the normal function of the latter, each railroad system has at its disposal its own technical and administrative cadres as well as the necessary material and financial means⁴, enjoys State credit, makes up balances of its own, and has current accounts with the Czechoslovak State Bank and the Investment Bank" [redacted]
4. There are six railroad systems, each divided into three or four territorial departments (oddělení) the extent of which is shown in Annexes 1 to 6.
- a. The Košice Railroad System, seat Košice (R49/E34), with three territorial departments at Košice, Zvolen (Q49/C74), and Žilina (Q50/O92);
- b. The Bratislava Railroad System, seat: Bratislava (P49/X99), with three territorial departments at Bratislava, Nové Zámky (P48/Y78), and Brno (P50/N40);
- c. The Ostrava Railroad System, provisional seat: Olomouc (P50/N85), with three territorial departments at Ostrava (P50/O59), Olomouc, and Přerov (P50/O03);
- d. The Prague Railroad System, seat: Prague, with three territorial departments in Prague, at Pardubice (O50/M79), and at Hradec Králové (O51/G71);
- e. The Ústí Railroad System, seat: Ústí nad Labem (N51/F44), with four territorial departments at Ústí nad Labem, Liberec (O51/G16), Kralupy nad Vltavou (N51/P60), and Nymburk (O51/G20);
- f. The Plzeň Railroad System, seat: Plzeň (N50/L04), with three territorial departments at Plzeň, Sokolov (N50/P58), and České Budějovice (O49/Q96).

These six systems are numbered one through six in the same order as listed above.⁵ Each system is headed by a chief (náčelník⁶) who has seven deputies.⁷ A Council of Advisors (poradní sbor) and a Technical-economic Council (technicko-hospodarská rada) support him [redacted].

5. "The railroad systems, their territorial departments and their economic units work on the khozrastchot⁸ principle". "The administrative and economic organ of each railroad system is its Railroad System Administration (Správa dráhy) which directs the work of the territorial departments and economic units." Subordinate to territorial departments are stations, depots (depo, formerly roundhouses, výtopny), line sectors (trátové distance, formerly technical administrations, technické správy), communications and safety sections (sdělovací a zabezpečovací distance, formerly signal sections, návěstní správy), etc. (VMZ 1). Other such economic units are 'car sections' (vozové useky, formerly car repair shops annexed to roundhouses), train team reserves (zálohy vlakových čet), and fuel storages [redacted]
6. Each territorial department is headed by a department chief (náčelník oddělení) who has six deputies. There is a council of advisors and a

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25X1 technical-economic council similar to those of the railroad systems.

7. The most important subordinate economic units are the stations which are divided into primary (úsekové) and secondary (mezilehlé) stations according to their importance, and into freight, shunting, and passenger stations according to their purposes. The organization of stations and other economic units as listed above had not been completed yet by June 1953.

25X1 8. "In the organization of the railroad administration there are, apart from the railroad systems and the economic units subordinate to them, several other economic and administrative units and enterprises such as railroad repair shops, railroad construction units, a Project Planning Institute (Projekční institut), etc.⁹ These units and enterprises are immediately subordinate to the MR" [redacted]

25X1 9. "The principle of one-man leadership and the principle of personal responsibility resulting therefrom, which are the basic principles of socialist economic planning,¹⁰ have been applied consistently throughout the railroad administration scheme. Hence, in the same way as the minister of railroads is responsible for the railroads as a whole, every chief (náčelník) of any subordinate division or unit is responsible for this division or unit" [redacted]

10. Top Executives of the Czechoslovak Railroads.

- a. Minister of Railroads, Josef Pospíšil, was officially introduced into his office by the Minister of Transport on 2 August 1952. [redacted]

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- b. The seven deputy ministers of railroads were appointed by the Czechoslovak government on 19 August 1952. [redacted]

- (1) Engineer Josef Petr, Deputy Minister of Railroads for general matters [redacted]

- (2) Ondrej Gerec (Slovak), Deputy Minister of Railroads for rolling stock matters (lokomotivní a vozové hospodářství) [redacted]

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- (3) Karel Bašta, Deputy Minister of Railroads for line matters (tra-
čové hospodářství)

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- (4) Richard Urx, Deputy Minister, Chief of the Central Administra-
tion for Traffic and Passenger Transport (náčelník ústřední
správy dopravy a přepravy osob)

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- (5) Emil Vrtílek, (Slovak), Deputy Minister, Chief of the Central
Administration for Material and Technical Supply (náčelník ús-
třední správy materiálně-technického zásobování)

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- (6) František Peleška, Deputy Minister, Chief of the Central Admi-
nistration of Cadres (náčelník ústřední správy kádru)

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- (7) Jan Stehulík, Deputy Minister, Chief of the Office of the Main
Supervisor of Traffic Safety (náčelník správy hlavního reviso-
ra pro bezpečnost dopravy)

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c. The following 11 persons were appointed to other key posts

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- (1) Josef Havel, Deputy to the National Assembly, Chief of the
Prague Railroad System (náčelník dráhy Praha);

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- (2) Josef Vogl¹⁴, chief of the Plzeň Railroad System;

- (3) Dr. Josef Starý, chief of the Ústí Railroad System;

- (4) Ladislav Malát¹⁵, chief of the Ostrava Railroad System;

- (5) Pavel Rušík, chief of the Bratislava Railroad System;

- (6) Ján Beňa, chief of the Košice Railroad System;

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- (7) Miroslav Rochata, chief of the Central Administration for Rolling Stock Matters (náčelník ústřední správy lokomotivního a vozového hospodářství);
- (8) Václav Junemann, chief of the Central Administration of Car Repair Shops (náčelník ústřední správy dílen pro opravu vozidel);
- (9) Ladislav Hejny, chief of the Central Administration for Line and Building Matters (náčelník ústřední správy traťového hospodářství a budov);
- (10) František Miškovský, chief of the Central Administration for Communications and Safety (náčelník ústřední správy sdělovací a zabezpečovací);
- (11) Václav Suchochleb, chief of the Central Administration for Budgetary and Commercial Matters (náčelník ústřední správy nákladových a komerčních prací).

11. The changes in the organization of the Czechoslovak Railroads have also affected the railroad personnel to a certain extent. Railroad employees, although having become government employees by the reorganization, are exempt from the pay regulations applicable to this category and continue to be subject to the previous regulations.¹⁶ As a consequence of the one-man leadership principle every chief of any railroad division or economic unit has the unlimited right of disposition in employment affairs without being exposed to interference by the organs of the People's Administration.¹⁷ To ensure the accurate and orderly fulfillment of duties and a strict political and labor discipline there have been established a disciplinary code for railroad personnel and a nomenclature of railroad functionaries who are hired, appointed, discharged, and transferred by the Minister of Railroads. A nomenclature of those railroad functionaries who are hired, appointed, discharged, and transferred by the chiefs of the individual economic units and divisions will be issued by the Minister of Railroads within his own sphere of power [redacted]

12. Reasons for the Reorganization. The reorganization of the railroads was apparently caused by serious shortcomings and failures in both administration and operation of the railroads. [redacted]

- a. "The Party and the government initiated this reorganization because of serious shortcomings in the organization and labor control within the Czechoslovak Railroads. The new system of control and the new principles of labor are necessary because the previous ones have proved to be insufficient for fulfilling the lofty tasks which the materialization of socialism in our home country have laid upon the railroads."
- b. "Even though in the past the Czechoslovak State Railroads were rather successful in satisfying the demands of our national economy, there are still many substantial insufficiencies in their way of operation. Although the State-wide traffic targets are met every year as to the quantities involved, the transportation of important kinds of goods such as coal, ore, timber, building materials, etc., is by no means secured to a full extent. The traffic graph system¹⁸, determining and organizing all railroad operations, has not yet become the basic rule ensuring an accurate and harmonious run of all sectors of the complex railroads economy. The railroads do not ensure train traffic exactly according to the graphs involved and tolerate numerous cases of tardiness not only of passenger but also of freight trains. The most serious shortcoming in railroad operations is the unsatisfactory state of safety in train traffic and shunting."
- c. "Still another insufficiency is the inappropriate exploitation of vehicles, of the transport capacities of railroad lines, and of the equipment and technical means of the railroads. The most important criterion for the quality of railroad efficiency, the circulation

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of vehicles, has continued to be considerably high and has been in no proportion to the amount of work performed and to the rolling stock available. The new method of dispatching transports¹⁹ - the most important means of accelerating car circulation - has not been applied properly. Night hours have been utilized but insufficiently for loading and unloading; almost no loading and unloading has been done on Sundays and holidays."

- d. "In spite of their particular importance, several problems have not been solved yet in a satisfactory manner, viz. the problems of appropriate selection, distribution, and education of cadres, and of the setting-up of cadre reserves. Progressive labor methods in railroad operations and labor experience of the USSR and the Peoples' Democracies' railroads have been introduced on an absolutely unsatisfactory scale."
- e. "All these shortcomings have resulted from the unsatisfactory labor discipline among a part of the railroad personnel, from the ineffective organization of operational work and the imperfection of technological methods, and finally from the fact that the principles of command by one person and of an exact administration system have not been applied. Other reasons for failure are the continuing functionalism and bureaucratic methods in the directing of labor as well as the neglect of a consistent supervision of plans, targets, and operational orders for the economic and transportation activities of the railroads and their economic formations"
- f. Apart from all these difficulties, one of the main reasons for the establishment of an independent ministry of railroads was probably the Soviet pattern. In the last years several other independent ministries have been set up and it was expressly stated in the newspapers and on the radio that this measure was taken to utilize the "valuable" experience of the USSR.²⁰

12. Effect of the Reorganization. The hopes that the Czechoslovak government had set on the reorganization of the railroads have apparently not materialized after a ten-month existence of the new pattern. The new organization is clumsy, comprising 26 administrative bodies (the ministry, six railroad systems, and 19 territorial departments²¹), each of which is equipped with an overdimensioned staff. These staffs have proved to be a good opportunity of providing well-paid jobs to Party favorites, but as a result of lacking expert personnel a large percentage of inexperienced persons have infiltrated into the railroad apparatus, causing many difficulties. The ratio of experts to inexperienced personnel at the Territorial Department of Sokolov is 1:2. The traffic conditions have become worse than they had been prior to the reorganization.²²

1. Comment. It is characteristic for the insignificance of the State apparatus in Czechoslovakia that the Party is listed in the first place whenever decisions of legal power are mentioned in official publications.
2. Comment. It is unknown what sort of body the word 'collegium' conveys.
3. Comment. The areas of these railroad systems are smaller than those of the preceding Area Directorates (oblastni ředitelství).
4. Comment. The Czech uses the expression "základní a obrátové prostředky", a translation of the Russian "основные и оборотные средства", meaning "basic and turnover means".

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- 25X1 5. ☐ Comment. The numbering starts from the East. This is apparently an expression of devotion to the USSR.
- 25X1 6. ☐ Comment. The word "náčelník" has never been used before in civilian life. It is merely an imitation of the Russian "начальник".
- 25X1 7. ☐ Comment. The sphere of activities of these deputies is most probably identical with that of the deputy ministers (Cf. paragraph 10, b).
- 25X1 8. ☐ Comment. "Khozrastchot", the Russian abbreviation for "хозяйственный расчет", i.e., literally, economic calculation, can hardly be translated into Czech or English. "Khozrastchot" is a method of economic management of State-operated enterprises. It consists essentially in the practice that the enterprise obtains operational independence in the fulfillment of the economic plan but has also to take over the material responsibility for this fulfillment. The evaluation of all constituent parts of the economic process and of the results of all economic activities are expressed in rubles" (in the USSR, of course), "i.e., in financial-monetary terms" (Dr.L.V.Kopeckij, *Несколько мыслей о хозяйственном расчете*, Prague 1940, Česká grafická unie a.s.).
- 25X1 9. ☐ Comment. The word "etc." is contained in the original text. There are apparently some more divisions of this kind.
- 25X1 10. ☐ Comment. The stages of development of socialism in Russia are apparently repeated in Czechoslovakia. After a period of collective responsibility for the operation of enterprises, which produces something like an economic chaos, the other extreme of strict "one-man leadership" emerges as a would-be remedy.
11. ☐ Comment. At present named "Královopolská strojírna, Gottwaldovy závody, národní podnik, Brno".
- 25X1 12. ☐ Comment. The provincial national committees (zemské národní výbory) were replaced by regional national committees (krajské národní výbory) as of 1 January 1949.
- 25X1 13. ☐ Comment. This order was awarded to Communists and fellow-travellers who had acquired particular merit in the February 1948 putsch.
14. ☐ Comment. A former train conductor (pruvodci vlaku).
15. ☐ Comment. A former locomotive engineer.
- 25X1 16. ☐ Comment. Prior to the setting-up of the national enterprise "Czechoslovak State Railroads" the Czechoslovak Railroads had been under government administration and their personnel had the status of government employees. "Previous pay regulations", of course, means the regulations applicable for employees of national enterprises.
- 25X1 17. ☐ Comment. The "organs of the People's Administration", i.e. national committees of various levels and Communist Party organizations standing behind them, normally interfere with employment matters.
- 25X1 18. ☐ Comment. In Czech "grafikon dopravy". "Grafikon" means a system of graphs by which various economic operations are symbolized and regulated.
- 25X1 19. ☐ Comment. The ☐ Czech term (probably taken from Russian) is "paršrutisace", a word monster derived from the German "Parschroute" (line of march) ☐ comment, means "long-distance transportation by whole trains", or "introduction of such a system".
- 25X1 20. ☐ Comment. In the meantime, however, the Soviet practice has changed and a great cut in the number of ministries was carried out after Stalin's death. There are no hints for the time being as to whether or not this Soviet measure will be initiated by the Czech Communist regime.

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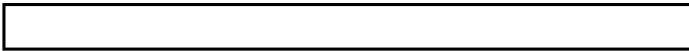
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21.  Comment. Previously there were only four such bodies, viz., the General Directorate (generální ředitelství) and three Area Directorates (oblastní ředitelství) in Prague, Olomouc, and Bratislava.

22.  Comment. Details are not available for the time being.

Annexes 1 to 6: Diagrams of regional Railway Systems

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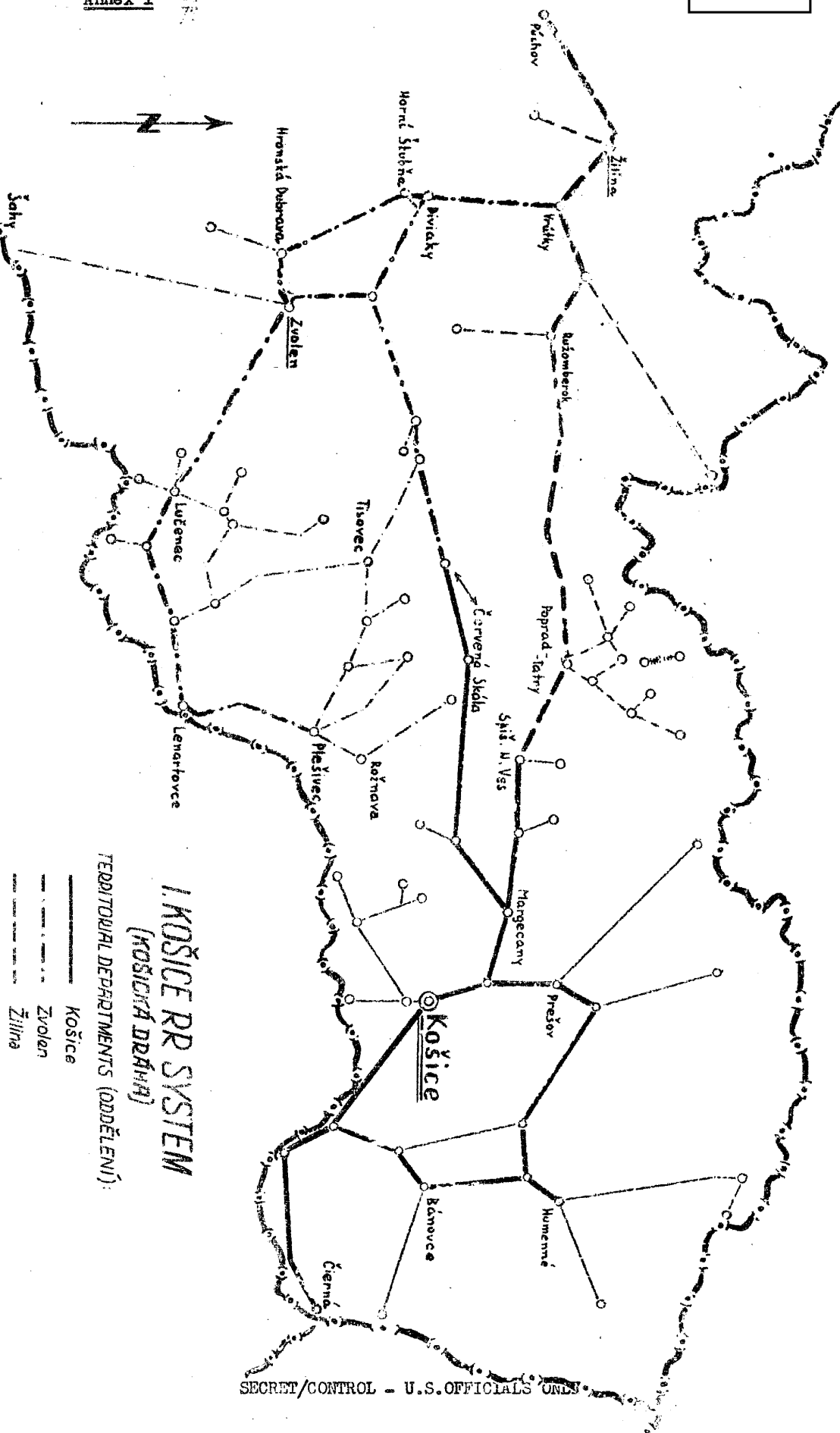
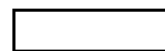
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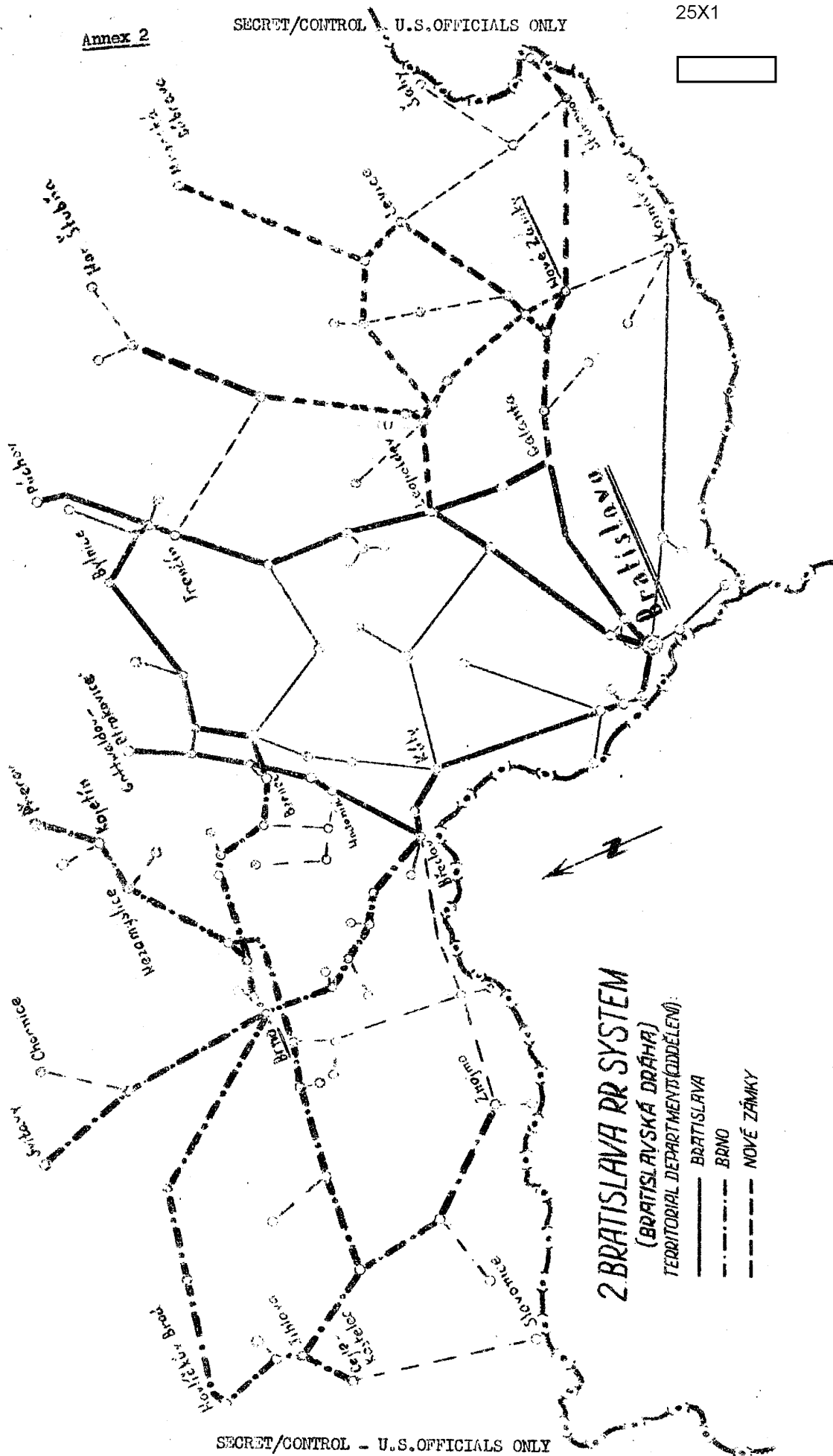
Annex 1



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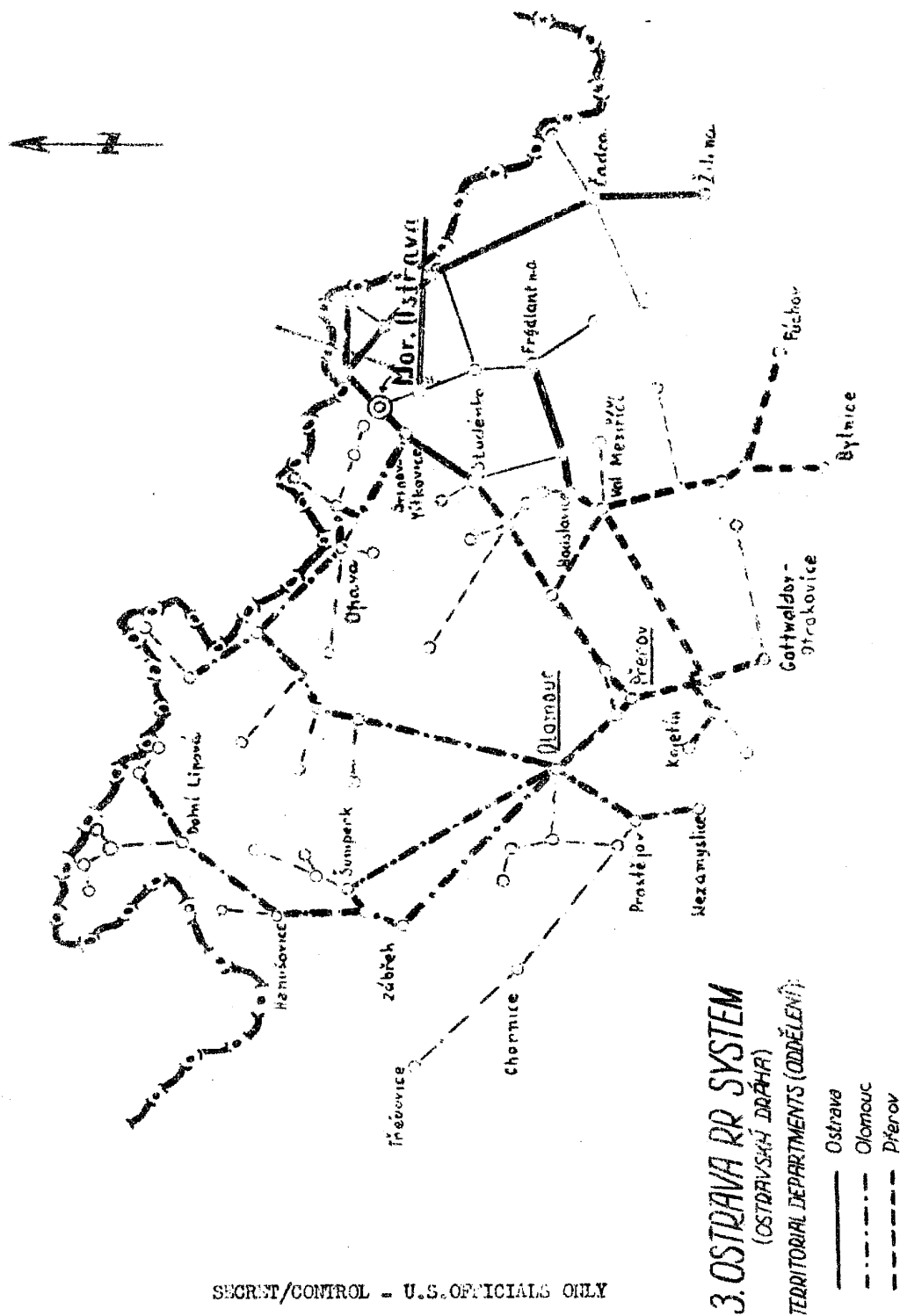
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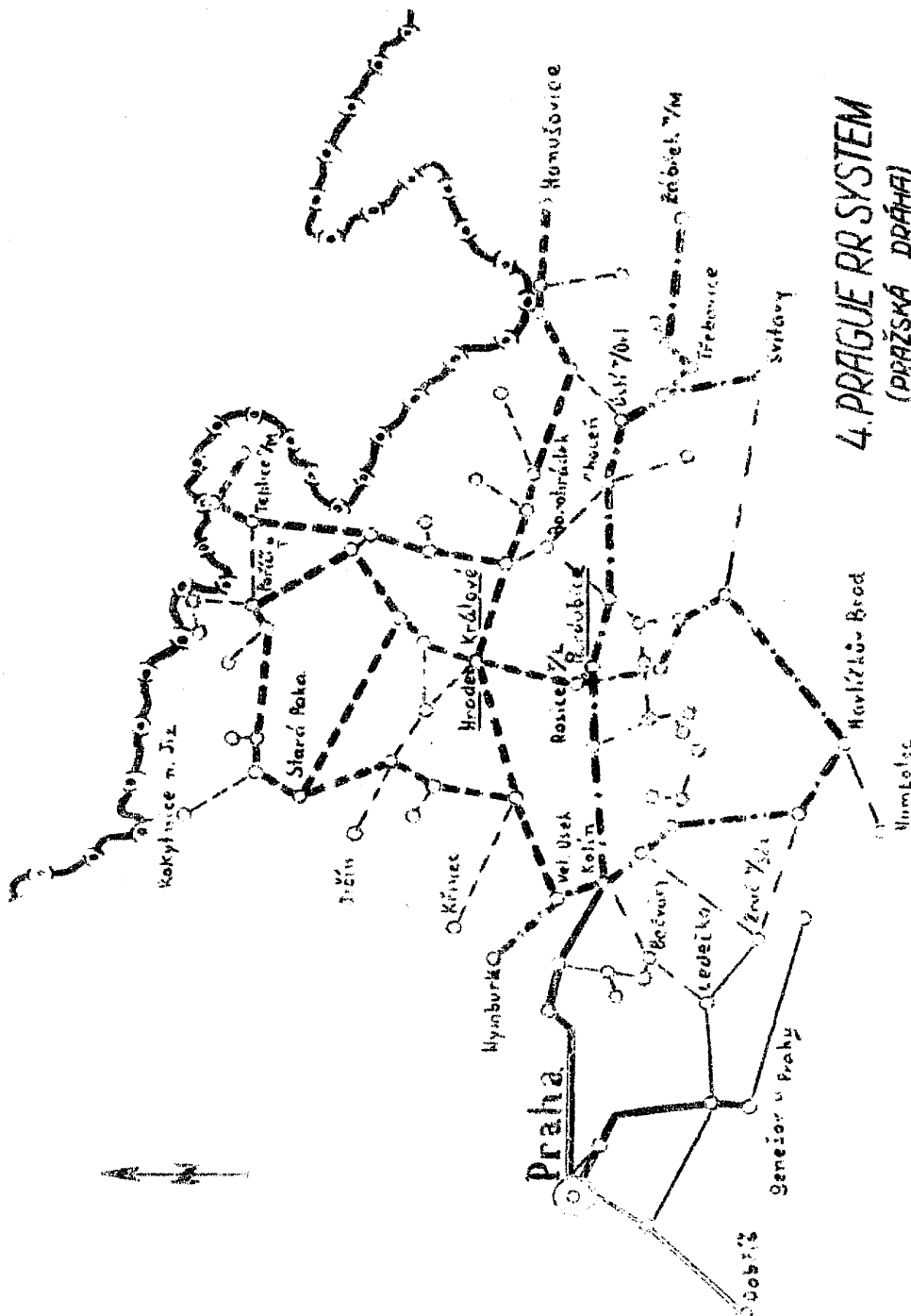
Annex 4

4. PRAGUE RR SYSTEM

(PRAŽSKÁ DRÁHA)

TERRITORIAL DEPARTMENTS (ODDĚLENÍ)

- Praha
- Pardubice
- Hradec Králové



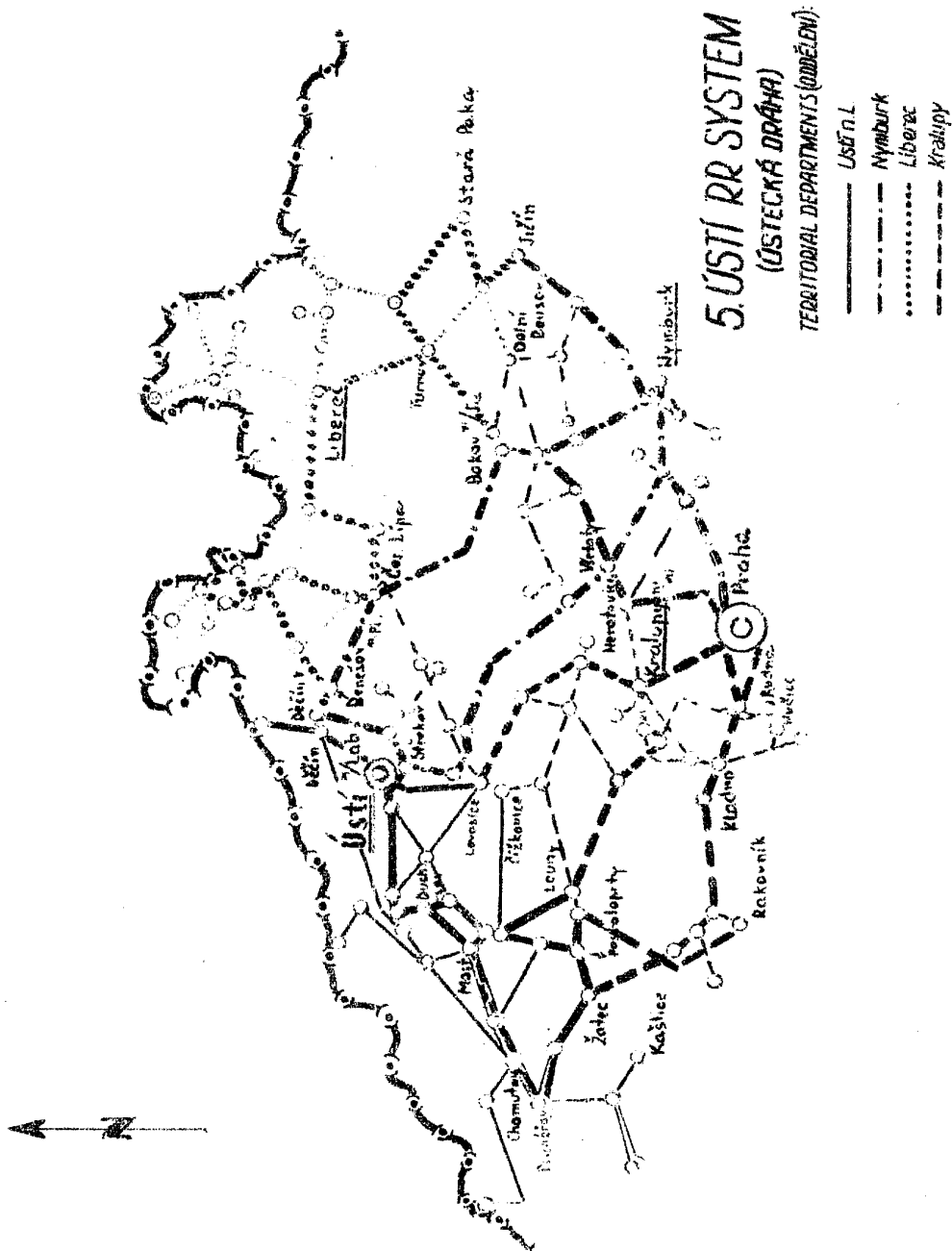
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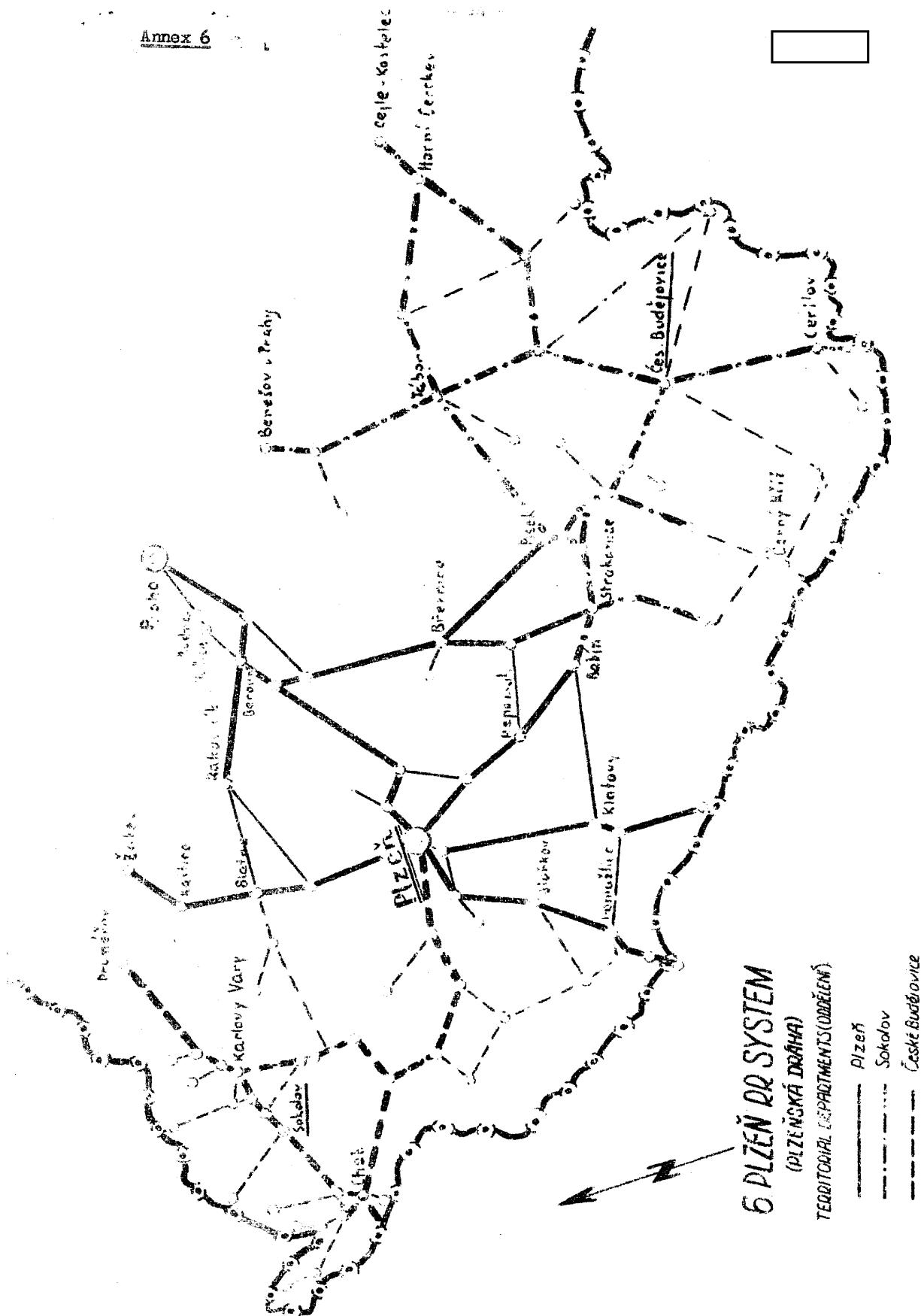
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Annex 5



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